

## **REQUEST FOR INFORMATION**

Property Assessed Clean Energy (“PACE”) Provider Evaluation for Regional Collaborative Services Agreement (“RCSA”).

### **I. Introduction**

The Association of Bay Area Governments (“ABAG”) announces a Request for Information (“RFI”) for the evaluation of PACE Providers for our Regional Collaborative Services Agreement (“RCSA”). ABAG represents all 101 cities and nine counties in the Bay Area with a mission of strengthening cooperation and collaboration among local governments and providing innovative and cost effective solutions to common problems. The San Francisco Bay Area Regional Energy Network (“BayREN”) is a collaboration of the nine counties that make up the Bay Area. Led by ABAG, BayREN implements effective energy saving programs on a regional level and draws on the expertise, experience, and proven track record of Bay Area local governments to develop and administer successful climate, resource, and sustainability programs.<sup>1</sup>

**Responses are due no later than 3:00 p.m. on December 2, 2015.** Three (3) hard copies and a CD with an electric copy should be delivered to:

Jennifer K. Berg  
BayREN Manager  
ABAG  
101 – 8<sup>th</sup> Street  
Oakland, CA 94607

Questions will be considered until November 15, 2015 and should be directed to [jennyb@abag.ca.gov](mailto:jennyb@abag.ca.gov).

### **II. Intent and terms of RFI**

ABAG is seeking information from PACE Providers to inform the process envisioned by ABAG and its BayREN local government partners to expand information resources, share template documents, and promote regional consistency to streamline the PACE adoption process throughout the Bay Area. Specific objectives of ABAG’s approach are to help municipal government and relevant agency staff better understand and coordinate communications with PACE providers, and to help institutionalize key PACE best practices through the use of the

---

<sup>1</sup> BayREN counties include Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties. The BayREN Coordinating Circle, which leads the governance of the BayREN, is comprised of one agency representative from each county. Alameda is represented by StopWaste; Solano through City of Suisun City and Sonoma is represented by the Sonoma Regional Climate Protection Authority.

RCSA. Information from this RFI will be used to determine a list of potential PACE providers for the RCSA.

### **III. ABAG Regional Collaborative Services Agreement**

The RCSA is intended to streamline the PACE adoption process for local governments in the ABAG territory, and promote consistent application of programmatic elements (“best practices”) considered to be critically important for local government partners. These include issue areas such as: consumer protection and disclosures, risk mitigation and indemnification, quality assurance, and performance tracking, data, and reporting.

### **IV. Information Requested**

**All RFI submittals shall be limited to 20 pages and shall provide responses to the questions below.** Responses shall be in the same order as presented. Forms and attachments are not included in the page limitation.

#### **A. General Questions about your Assessment-Financing Product**

1. How long has your PACE product been in existence?
2. Where is your PACE product in use? Please list the jurisdiction, date adopted by the jurisdiction, contact information of the primary county (and city) employee who is your point of contact, contact information of the tax collection staff member you are working with, and contact information of the county (and city) counsel you are working with.
3. Does your PACE product operate under AB 811 and/or SB 555?
4. If operating or engaged with an AB 811 or SB 555 program, what program governance structure and relationship do you have with the public governmental entities that were engaged to create the program and facilitate its operation?
5. Do you facilitate projects by placing new property assessments (new business) and or do you limit your activity to purchasing existing assessment bonds (aggregate and purchase of a portion of our existing portfolio)?
6. Please outline what is required for a jurisdiction to use your PACE product and provide the documentation required.
7. Has your PACE product gone through a legal validation process?
8. Please indicate whether your PACE product can provide 100% Indemnity to a local jurisdiction against legal liability and other damages.

9. Do you provide financing for residential projects? If yes, please provide data on your residential financing to date (# of applications, # of projects approved, # of payments complete, amount of funding paid to completed projects).
10. Do you provide financing for non-residential projects? If yes, please provide data on your commercial financing to date (# of applications, # of projects approved, # of payments complete, amount of funding paid to completed projects).
11. Please indicate whether a letter of credit can be provided.

**Detailed questions about your assessment–financing product and the requirements for product use**

1. Please explain the source and capacity of the funding for your PACE product.
2. Please identify the fees or costs associated with the use of your PACE product including and not limited to application fees, processing fees, “finder fees” charged to contractors, recording fees, title insurance, administrative fees, closing fees, appraisal fees, energy audit fees, automated valuation module (AVM) fees, etc.
3. Please identify which of the above fees will be paid by a consumer who uses your product.
4. What costs are eligible for inclusion in the financing (e.g. which fees listed above plus labor, design, project management, audits, etc.)?
5. Does your PACE product provide for prepayment penalties? If so, what are the penalties?
6. What interest rates and terms do you offer?
7. Does your PACE product provide lending disclosure of actual interest cost, including all fees and costs, to the consumer?
8. What are the underwriting criteria/requirements for your PACE product including and not limited to minimum and maximum financing amount, lien to value ratios, return on investment calculations, useful life of improvements requirements, energy audit requirements, property types allowed, etc.?
9. What type of assurance and communication do you provide regarding alignment of your PACE product’s criteria/requirements with emerging legislation, regulation and standards of operation?
10. Does the PACE product take into account federal/state rebates, tax credits, and incentives? Please explain.

11. Does the proposed contract with the consumer specify or inform the consumer of penalties if he or she fails to meet assessment obligation? Please explain.
12. What types of improvements, products, or projects are eligible for program financing? (E.g. energy efficiency upgrades, water efficiency upgrades, renewable energy). How are new and/or custom measures added to the eligible measures?
13. Is a local building department permit signed off as passing and final required before payment for every project? Are any other inspections required and is there cost included in project fees? Please describe your process to assure proper completion of the project(s) and the process for disbursement of funding to the property owner.
14. Do you collect a Utility authorization form for the release of utility information for every project? Would you be willing and able to include the participating jurisdiction in the waiver request?

#### **Questions about your product relation with lending institution process**

1. Does your PACE product provide disclosures to consumers on any potential risks? Is the Ninth Circuit Court of Appeals Decision #12-126986 (or similar notice) about the Federal Housing Finance Agency (FHFA) issue disclosed to property owner(s) prior to executing an assessment financing application? Please attach a copy of all disclosures including those concerning Fannie Mae, Freddie Mac, or mortgage lenders.
2. Have you had discussions with the FHFA pertaining to their July 6, 2010 Statement Directives? If so, please advise as to any representations the FHFA has made to you regarding their July 6, 2010 Statement Directives? D3. Does the PACE product you provide require the consumer to obtain lender acknowledgement or lender consent? If so, please provide the form(s).
3. If the PACE product does not require lender acknowledgement or lender consent, does the financing require lender notice? If so, please provide the form(s).
4. To date have any lenders required a home loan carrying a lien for your PACE product be repaid? If so, how many? Have prepayment penalties applied to these transactions?
5. To date have any lenders required a refinancing or home sale carrying a lien for your PACE product to be paid off prior to completing the transaction? If so, how many? Have prepayment penalties applied to these transactions?
6. Are you aware of any bank adjusting underwriting criteria in a jurisdiction due to the use of your PACE product in that jurisdiction? If so, please list the jurisdiction and the specific criteria that were adjusted.

7. Please list the number of and describe the circumstances of any assessment or lien that has been facilitated by your PACE product which has been involved in a default and/or has been the issue of any litigation or foreclosure between the consumer and the property mortgage holding entity.

**Disclaimer**

This is a Request for Information only to identify PACE providers for a RCSA. ABAG has not made a commitment to enter into a financial agreement and the release of this RFI should not be construed as such a commitment or as authorization to incur cost for which reimbursement would be required or sought.